



State of Arizona

Janice K. Brewer
Governor

Office of the Governor
1700 West Washington Street, Phoenix, AZ 85007

Main Phone: 602-542-4331
Facsimile: 602-542-7601

FOR IMMEDIATE RELEASE
November 28, 2011

CONTACT: Matthew Benson
(602) 542-2661
mbenson@az.gov

Governor Brewer, Area Hospitals Unite for Health Care Initiative

Plan Leverages Federal Dollars to fund Uncompensated Care, Hospital Improvements

PHOENIX – Governor Jan Brewer and executives from three of the state's largest health institutions came together today to announce a plan that will offset hospital costs in providing care to the uninsured, fund service improvements and allow nearly 20,000 Arizona children to join KidsCare.

And all at no state cost.

"Creative, collaborative solutions are a must in these times of tight budgets and growing costs," said Governor Brewer. "I'm proud that Phoenix Children's Hospital, Maricopa Integrated Health System and the University of Arizona Health Network have joined us to make this plan a reality. The fact that we can accomplish this with no cost to the state is just icing on the cake."

Last spring, Governor Brewer signed into law SB 1357, which enabled AHCCCS to use local government funds in order to provide care to individuals no longer covered by Medicaid. Under the plan announced today, Phoenix Children's Hospital, Maricopa Integrated Health System and the University of Arizona Health Network will put forward \$113 million. This funding, routed through MIHS and Pima County, will serve as the state match in order to draw down more than \$229 million from the federal government.

This funding will be used to:

- Help offset spiraling hospital costs in providing care to the uninsured; and
- Fund a two-year, time-limited statewide enrollment of 19,283 additional Arizona children in KidsCare, a state program that provides quality, affordable coverage to children of working parents who pay monthly premiums to insure them.

Additionally, a large portion of the funding will be devoted to needed service and infrastructure improvements for the three hospital institutions. Phoenix Children's Hospital plans to enhance its teaching programs, plus improve the efficiency and capacity of its pediatric Level 1 Trauma Center and Emergency Department. MIHS will develop an e-records system. UA Health Network plans to do likewise, and will establish new trauma services in a medically-underserved area.

“Governor Brewer recognizes the immense strain the economic downturn has put on our health care system, especially safety net hospitals,” said Bob Meyer, President and CEO of Phoenix Children’s Hospital. “Without this funding, it would be even more difficult for Phoenix Children’s Hospital to fulfill its mission to provide high quality, cost-effective care for Arizona children.”

“Safety net hospitals like Maricopa Medical Center play a vital role in providing health care to the underserved in our community,” said Betsey Bayless, President and CEO of the Maricopa Integrated Health System. “Hospitals like ours also bear a growing financial burden in caring for the uninsured. This plan will help Maricopa Medical Center remain a strong and growing pillar of the community.”

“Caring for the indigent and underserved is one of the special hallmarks of teaching hospitals like The University of Arizona Medical Center,” said Karen Mlawsky, CEO of the hospital division of The University of Arizona Health Network. “More than one-third of our patients are on AHCCCS or have no insurance at all. This proposal shows that, by working together, we can continue providing medical care to the Arizonans who need it most.”

The Governor’s funding plan has been submitted to the federal Centers for Medicare and Medicaid Services (CMS) for approval.

###